

Flathead County
Board of Commissioners
(406) 758-5503

January 7, 2014

Ex. No. 13

Pamela J. Holmquist
Gary D. Krueger
Calvin L. Scott



January 3, 2014

The Honorable Chas Vincent, Chairman
and Members of the Water Policy Interim Committee
Legislative Environmental Policy Office
State Capitol Building
1301 East 6th Avenue, Room 1781
Helena, Montana 59620-1704

RECEIVED

JAN 06 2014

**LEGISLATIVE ENVIRONMENTAL
POLICY OFFICE**

RE: CSKT Water Compact

To the Committee:

As you receive the recently released report by the Reserved Water Rights Compact Commission and begin your consideration of the Flathead water rights compact, we, the Commissioners of Flathead County, wish to affirm our support for a compact process and urge you to move forward for full consideration by the 2015 legislature.

Most fundamentally, we agree with the conclusion in the introduction to the report that the compact, "will provide future protections for state water users, contribute to a quicker resolution of the ongoing water rights adjudication, provide economic certainty and protect property values, provide access to new supply of water that will fuel economic growth in (affected counties) and result in an infusion of money that will not only create jobs and boost the local economy, but will accomplish much needed repairs and upgrades to irrigation project facilities". Because the compact can create these outcomes, we believe that it can promote the wellbeing of the constituents we serve.

More specifically, the compact may resolve all Tribal claims to water, which can protect existing state based water rights and consequently can promote stability in private property values. Beyond protecting existing water rights, the compact can provide for future development and growth for communities in the Flathead basin, by guaranteeing the availability of water off the reservation to mitigate the impact of additional water development that economic growth will inevitably entail.

Since 1996, the State of Montana has been unable to process and approve applications for permits for new water uses, or changes of existing uses, in the portions of the Flathead County lying within the reservation boundaries. As a result, there are many new water developments (principally domestic wells) that have never been legally approved. Adoption of the compact can allow the approval of these permits to move forward and can also create a mechanism for approving new permit applications in the future. Additionally, in the compact, the Tribes have

Water Policy Interim Committee
RE: CSKT Water Compact
January 3, 2014
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committed not to exercise senior water rights to make call on any and all existing non-irrigation state based junior rights and to arrive at an equitable division of water between the irrigation project and in-stream flow sufficient to maintain the health of agricultural operations. For Flathead County in particular, the compact may include provisions to quantify tribal claims for water from the Flathead system at levels such that water uses north of the Flathead Lake are protected from call.

We recognize that negotiated agreements can only reach a successful conclusion if all the negotiating parties are prepared to make concessions that lead to a mutually beneficial settlement. Inevitably, not every feature of every agreement will be to the liking of all affected parties. However, we believe that in this case the commission, the tribes and the United States have come to an agreement that can be fair, equitable, and respectful of individual rights which can protect and promote the interests of the citizens we serve.

We thank the committee for the care and consideration it will give to this important issue.

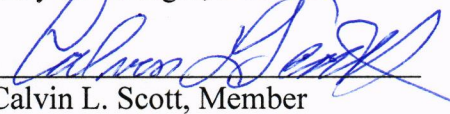
Sincerely,
FLATHEAD COUNTY
BOARD OF COMMISSIONERS

Opposed

Pamela J. Holmquist, Chairman

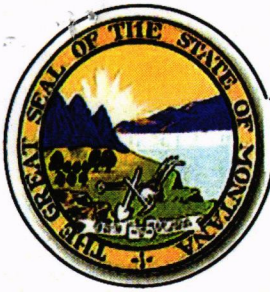


Gary D. Krueger, Member



Calvin L. Scott, Member

cc: Governor Steve Bullock
Attorney General Tim Fox



LAKE COUNTY

106 4th Ave. E.

Polson, Mt. 59860

January 3, 2014

Water Compact Interim Committee
State Capitol
Helena, MT 59620

To the Committee:

Although the Lake County Commissioners have individually supported the compact for some time, it has been our position to neither show support nor opposition to the Flathead Water Rights Compact. Our reason for taking this position was that since Lake County government did not have a seat at the bargaining table during creation of the compact, it would be improper for the commissioners to attempt to influence the debate over the compact. We now are of the opinion that our failure to take a position is being perceived as non-support of the compact.

The Lake County Board of Commissioners support the acceptance of the Flathead Water Rights Compact as proposed. It is our opinion the compact should be approved for the following reasons:

- We believe that the process followed to create the compact was fair, reasonable, and equitable to all citizens of Lake County. We recognize that negotiated agreements can only reach a successful conclusion if all the negotiating parties are prepared to make concessions that lead to a mutually beneficial settlement. We believe that negotiations were held in good faith by all parties, and that a sufficient period of time was provided for crafting the compact.
- We do not believe that the protracted and expensive litigation that would certainly follow rejection of the compact by the legislature is in the best interests of citizens of our county. If funds are not appropriated by the legislature to pay for litigation, private citizens in our county would bear the cost. Some local irrigators are already seeing the cost of litigation reflected in raised irrigation rates. There is also no assurance that litigation will provide county residents with a better "deal" than what is provided in the proposed compact.
- We believe that the debate in our county has been centered on project irrigation issues, and as important as these issues are, they are only part of the compact debate. Equal importance should be placed on the guarantee afforded the approximate 3000 private wells at stake, the municipal water supplies, i.e. Polson, Ronan, & St. Ignatius, and for irrigation waters outside the project.
- We believe that acceptance of the proposed compact will prove to be an economic benefit to Lake County. The compact resolves all Tribal claims to water which promotes stability in private property values. Many domestic wells drilled since 1996 would become legally approved under the compact. The Tribes would also accept junior water rights on all

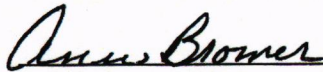
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domestic wells that produce less than 100 gallons per minute. The compact also provides water for future growth and economic development in our towns and cities that we do not have now.

- We believe that it is in the best interests of our citizens to promote a favorable and cooperative working relationship with tribal and state governments that will benefit all the citizens of Lake County.

We thank the Committee for the time and consideration it is giving to this important issue.

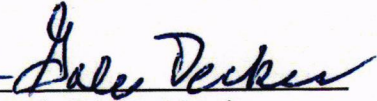
BOARD OF LAKE COUNTY COMMISSIONERS



Ann Brower, Chairman



William D. Barron, Member



Gale Decker, Member



BCC 2014-002
January 6, 2014

Water Policy Interim Committee
State Capitol
Helena, MT 59620

Dear Committee Members:

As you review the recently released report by the Reserved Water Rights Compact Commission, please note that the Missoula County Commissioners affirm our support for the compact as it has been researched and developed through extensive negotiations. We urge you to move the compact forward for consideration by the 2015 Legislature.

We agree with the statement in the proposed Water Rights Compact report's introduction that the compact "will provide future protections for state water users, contribute to a quicker resolution of the ongoing water rights adjudication, provide economic certainty and protect property values, provide access to new supply of water for the region that will fuel economic growth in Missoula County, and result in an infusion of money that will not only create jobs and boost the local economy, but will accomplish much needed repairs and upgrades to irrigation project facilities." Because the compact will help create these positive outcomes, we believe that it promotes the well-being of the constituents we serve, and those who will live in western Montana in the future.

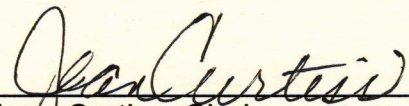
In Missoula and other affected surrounding counties, the compact resolves all Tribal claims to water, which creates certainty, protects existing state based water rights and promotes stability in private property values. Beyond protecting existing water rights, the compact provides for future development and growth for communities in the Clark Fork and Flathead basins by guaranteeing the availability of 11,000 acre feet of water off the Reservation to help mitigate the impact of additional development that economic growth will inevitably entail.

There are also beneficial provisions in the compact pertinent to specific counties. Of considerable importance to Missoula County businesses, residents and visitors, the compact settles the Milltown Dam water right in a way that results in smaller potential impacts to state based users in the Upper Clark Fork and Blackfoot River than many might likely experience in the absence of the compact.

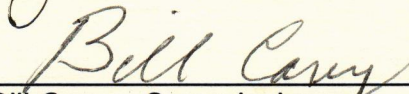
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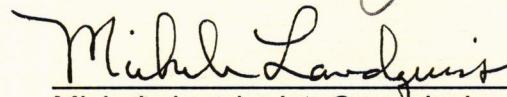
Sincerely,
BOARD OF COUNTY COMMISSIONERS



Jean Curtiss, Chair



Bill Carey, Commissioner



Michele Landquist, Commissioner

BCC/ppr